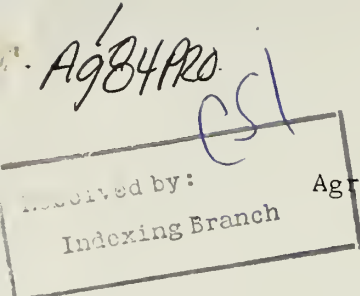


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UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Stabilization and Conservation Service

1949 APR 22
THE 1966 FEED GRAIN PROGRAM 7:51
CURRENT SERIAL

A general explanation prepared especially for Agricultural
Stabilization and Conservation Committeemen

Again in 1966, as in previous years, the feed grain program is entirely voluntary. Producers on farms with a corn, grain sorghum, or barley base may take part in the program and become eligible for diversion payments, price-support payments and price-support loans.

The program is designed to:

1. Raise farm income by assuring fair prices for feed grain producers and by providing a basis for stable livestock prices.
2. Continue the substantial progress toward the national goal of reducing the carryover of feed grains to 45 million to 50 million tons. Previous programs have reduced the carryover from 85 million to about 55 million tons.
3. Reduce program costs to taxpayers by reducing the cost of storage of grain held in Government inventory.

The principal points of the 1966 voluntary feed grain program are:

1. To take part in the program, producers agree to take out of production 20 percent or more of their total farm feed grain base and otherwise to comply with the program.
2. Only those taking part are eligible for price-support payments and price-support loans on their 1966 crops of corn, grain base and barley.
3. Diversion payments based on a participating farm's projected yield for 1966 and the total price-support rate in the county in which the farm is located will be made on qualifying acreage.
4. Price-support payment rates will be determined by multiplying the farm's projected yield by 30 cents a bushel for corn, 20 cents a bushel for barley, and 29.68 cents a bushel for grain sorghum. The same price-support payment rates per bushel will apply to all participating farms regardless of the State or county in which they are located.

5. Price-support payments are limited to the acres planted up to 50 percent of the total feed grain base.
6. An acreage equal to the acres signed up to be diverted plus the conserving base acreage for the farm must be devoted to conserving uses.
7. Producers who fail to fully carry out their intentions may be subject to substantial deductions from payments otherwise earned.

ADVANTAGES TO PARTICIPANTS

1. Price-support loans will be available for their entire 1966 production of corn, grain sorghum, and barley.
2. There will be substantial income from acreage diverted in excess of 20 percent of the farm feed grain base regardless of flood, drought, or other disaster.
3. Participants will receive price-support payments for acres planted up to 50 percent of the total feed grain base.
4. An advance payment is available upon request, equal to 50 percent of the indicated diversion payment.

PRODUCER DECLARATION OF INTENTION

ASCS county offices will have forms on which producers may declare their intention to take part in the program.

From information previously supplied by producers, ASC county committees will determine corn, grain sorghum, and barley base acreages -- and the total feed grain base acreage -- for all farms known to have produced feed grains in 1959 and 1960. Projected farm yields and diversion rates of payment will be determined, and producers will receive a notice of these determinations. This notice doesn't constitute a signup. Producers who want to take part must still file a declaration of intention to take part in the program with the ASCS county office.

PERMITTED ACRES OF FEED GRAINS

Each participating farm will have a total permitted acreage of feed grains -- corn, grain sorghum, and barley.

After the farm operator has decided how many acres of his feed grain base he will take out of production, that acreage is subtracted from his total farm feed grain base to obtain the acreage of feed grains permitted under his agreement.

The permitted acreage is the largest total acreage of corn, grain sorghum, and barley that may be produced on a complying farm unless feed grains are substituted for wheat on farms taking part in both the feed grain program and the wheat program.

THE FARM CONSERVING BASE ACREAGE

For each farm, the ASC county committee has determined a conserving base acreage and each farm operator will be notified of this base. In general, the farm conserving base acreage is the acreage devoted to conserving uses in 1959 and 1960.

TOTAL ACRES OF CONSERVATION USE

Cropland acres diverted to conservation uses under the 1966 Feed Grain Program are to be in addition to the farm's established conserving base and any acreage diverted to conservation use under other Federal programs.

MINIMUM DIVERSION -- ALL PARTICIPATING FARMS

For the farmer to be eligible for any program benefits, the smallest acreage to be diverted to an approved conservation use is 20 percent of the total farm feed grain base.

MAXIMUM DIVERSION -- FARMS WITH BASES OF 25 ACRES OR LESS

If the farm feed grain base is 25 acres or less, the base becomes the largest acreage that can be diverted.

For example: If the farm feed grain base is 22 acres, the smallest diverted acreage that would qualify the farm as a participating farm would be 20 percent of 22 acres, or 4.4 acres. The largest acreage that could be taken out of production would be 22 acres.

MAXIMUM DIVERSION -- FARMS WITH BASES OF MORE THAN 25 ACRES

If the feed grain base is more than 25 acres, the largest acreage that can be diverted is 25 acres, or 50 percent of the base, whichever is larger.

For example: If a farm has a feed grain base of 48 acres, the smallest acreage to qualify the farm would be 20 percent of the 48 acres, or 9.6 acres. The highest acreage that could be diverted under the program would be 25 acres, since 25 acres is larger than 50 percent of the total farm feed grain base.

For example: If the total farm feed grain base is 80 acres, the smallest acreage diversion to qualify the farm would be 20 percent of 80 acres, or 16 acres. The largest acreage that could be diverted would be 50 percent of 80 acres, or 40 acres.

ELIGIBILITY FOR PROGRAM BENEFITS IN 1966

To qualify for 1966 program benefits on corn, grain sorghum, and barley, producers will:

1. Sign up for the 1966 program with the ASCS county office. The period when farmers may file intentions to participate in the program (signup period) begins on or before February 14, 1966, and ends March 25, 1966.
2. Comply with the signed-up intended diversion as stated at the time of signup.
3. Devote the acres taken out of feed grain production (acres diverted) plus an acreage equal to the conserving base to approved conservation uses.
4. Stay within the feed grain base on all other farms in which the producer has an interest in feed grains.

PRICE-SUPPORT RATES

The total price support for 1966 for feed grains is in two parts -- the loan rate and the price-support payment rate.

The loan rate for corn is \$1.00 per bushel, national average, and the price-support payment is 30 cents a bushel, making a total price-support rate of \$1.30 a bushel, national average.

For barley, the national average loan rate is 80 cents a bushel and the price-support payment rate is 20 cents a bushel, making a total national average price-support rate of \$1.00 a bushel.

For grain sorghum, the national average loan rate is \$1.52 per cwt., and the price-support payment rate is 53 cents per cwt. (29.68 cents per bushel), making a total national average price-support payment rate of \$2.05 per cwt.



The above loan rates will be calculated for each county in the same manner as county price-support loan rates have been determined in the past. The price-support payment rate is the same in all counties.

The price-support payment will be made to all participants in the program who plant feed grains for harvest, and will be made regardless of the use made of the grain. Producers can sell or feed the grain and still receive payment.

For purposes of the price-support payment, a participant who is signed up for the feed grain program and who plants at least 90 percent of his maximum acreage eligible for price-support payment will be considered as having planted his entire acreage eligible for payment. For farms participating in both the feed grain and wheat programs, see section on "Substitution."

PRICE-SUPPORT PAYMENT

With the increase in price-support payment from 20 cents per bushel to 30 cents per bushel on corn and comparable increases for barley and grain sorghums, price-support payments under the 1966 program, without an increase in the farm yield, will exceed those for 1965 if 25 percent or more of the feed grain base is diverted even though the price-support payment is limited to no more than 50 percent of the base acreage.

For a farm with a projected yield (corn) of 70 bushels, a feed grain base of 80 acres (corn), intended diversion of 16 acres and 64 acres planted, the price-support payment would be figured in this way:

70 bu. times 30¢ = \$21 per acre
50% of 80 acres (feed grain base) = 40 acres
40 acres times \$21 = \$840

In addition, the entire production from the 64 acres of planted corn would be eligible for a price-support loan at the rate per bushel for the county in which the farm is located. (The 1966 national average loan rate for corn is \$1.00 a bushel.) If the producer planted 24 acres of some other crop as soybeans in place of corn and had only 40 acres of corn he would still receive a price-support payment of \$840.

The price-support payment of 30 cents a bushel would be made on the projected production of 40 acres even if the corn is fed to livestock, sold, placed under price-support loan, or not harvested.

On farms where no feed grains are planted for harvest, there would be no price-support payment.

Producers who are prevented from planting an acreage of feed grain up to 45 percent of their feed grain base due to flood, drought, or other natural disaster are eligible for the same benefits they would have received if they had planted the crop, provided the land is not planted to any other income-producing crop.

With the size of the price-support payment increased above the levels of previous programs and made on only 50 percent of the base acreage, there is a wider range of use for that part of the permitted acreage on which no price-support payment is made. These acres can be diverted for payment, planted to feed grains, or planted to other crops such as soybeans. Where provided by law, such other crops will be eligible for price-support loans and purchases.

LAND ELIGIBLE FOR DIVERSION

Generally, land may be designated as diverted acreage if it meets one of the following conditions:

1. Has been intensively cultivated in one of the years 1962, 1963, 1964, or 1965.
2. Has been devoted to a hay crop all during the 1962-65 period in a normal rotation pattern and is equal in productivity to the intensively-cultivated land on the farm.
3. Designated as diverted acreage under the 1961, 1962, 1963, 1964, or 1965 feed grain programs, or the 1962, 1963, 1964, or 1965 wheat stabilization programs, except such designated land as has been planted to trees, used for water storage, or could not be expected to be used for the production of the crop(s) being diverted because of its physical condition or other reason.

PAYMENT FOR DIVERSION - FARMS WITH TOTAL BASES OF MORE THAN 25 ACRES

For farms with total feed grain bases of more than 25 acres there is no diversion payment unless more than 20 percent of the total base is diverted. When more than 20 percent of the total base is diverted the diversion payment is made only on the acres diverted in excess of 20 percent of the base.

The payment per acre for a farm will be based on the total price-support rate for the county (the county loan rate plus 30 cents a bushel) and one-half of the projected yield per acre for the farm. (The national average total price-support for corn is a loan rate of \$1.00 per bushel and a price-support payment rate of 30 cents a bushel making a national average of \$1.30.)

For example, assume a farm has a 100-acre corn base with a projected yield of 72 bushels per acre. If only the minimum 20 percent is diverted (20 acres), there would be no diversion payment.

Suppose the county support rate is \$1.30 per bushel and the diversion is 40 percent, or 40 acres on the above farm. In this case the diversion payment would be figured like this:

First 20% (20 acres) = No payment
Second 20% (20 acres): 50% times 72 bu. times \$1.30 = \$46.80 per acre
20 acres times \$46.80 = \$936.

PAYMENT FOR DIVERSION - FARMS WITH BASES OF 25 ACRES OR LESS

An additional per-acre payment will, however, be earned for diversion on participating farms with a total feed grain base of 25 acres or less. This per-acre payment credited for acreages actually diverted within the first 20 percent of the feed grain base will represent 40 percent of the regularly-announced diversion rate for the crop or crops underplanted. The regular rate will then apply to all other acreages diverted for payment.

Diversion of acreage in excess of the minimum of 20 percent of the total feed grain base will be at the regular diversion rate for the crop underplanted.

For example, the operator of a farm with a total feed grain base of 20 acres (all corn), a yield of 70 bushels per acre, and a regular diversion rate of \$45.50 signs up to divert the entire feed grain base. The diversion payment would be:

Minimum diversion: 20% of 20 acres = 4 acres
Payment rate per acre = 40% of the regular diversion rate of
\$45.50, or \$18.20 per acre
Diversion payment for minimum diversion: 4 acres times
\$18.20 = \$72.80

The entire feed grain base is diverted so there are 16 acres additional for which diversion payment is to be made at a higher rate determined in the same way as the diversion rate for farms with bases larger than 25 acres when more than the minimum is diverted. The additional diversion payment is determined in this way:

Acres eligible: 20 acres minus 4 acres for which the diversion
payment has been figured, leaving 16 acres additional diversion
16 acres times \$45.50 = \$728.

The total diversion payment would be:

\$728 plus \$72.80 = \$800.80

USE OF DIVERTED ACRES

The acreage diverted from the production of feed grains under the program is to be devoted to approved conservation use, if the participating farm is to remain eligible for program benefits. Erosion, weeds, rodents, and insects are also to be controlled on diverted acres.

Grazing of diverted acres will be possible during winter months. When extreme drought or disaster conditions occur, grazing during summer months may be authorized at a reduced diversion payment rate by the ASC county committee.

CONSERVATION USES

Diverted acreage may be devoted to the following conservation uses:

1. Permanent-type or rotation cover of grass and legumes.
2. Temporary cover of grasses and legumes.
3. Wildlife food or habitat plantings.
4. Trees or shrubs.
5. Other use as approved for the area.

Each ASCS county office has a list of conservation uses that have been approved for the county.

PARTICIPATION IN THE AGRICULTURAL CONSERVATION PROGRAM AND THE GREAT PLAINS CONSERVATION PROGRAM

Participating in the 1966 feed grain program will not prevent a farmer from applying for assistance under the Agricultural Conservation Program or the Great Plains Conservation Program in establishing conservation uses on diverted acreage.

The ASC county committee may approve ACP cost-shares on diverted acres. This assistance is not guaranteed. Farmers interested in receiving assistance under either program should consult their county representatives.

PLANTING APPROVED CROPS FOR HARVEST ON DIVERTED ACRES

The law authorizes the Secretary of Agriculture to offer participating producers an additional choice as to the use of acreage diverted from feed grains. Instead of devoting the diverted acreage to conserving uses, they

have the option of growing one or more of the alternate crops for partial or no diversion payments, if the Secretary determines that the crops will not likely be in surplus.

Crops which the Secretary may approve as alternate crops are: Guar, sesame, safflower, sunflower, castor beans, mustard seed, crambe, plantago ovato, and flax.

Flax will not be authorized for 1966 since domestic and world production has resulted in stocks in excess of utilization. A determination will be made later whether any of the remaining authorized crops may be substituted for conservation uses on diverted acres in 1966.

SUBSTITUTION OF WHEAT FOR FEED GRAINS OR FEED GRAINS FOR WHEAT

Producers who have signed up to participate in the wheat and feed grain programs and otherwise comply with each program may substitute feed grains for wheat, or wheat for feed grains, within the total acreages permitted under both programs.

The permitted acreage can then be planted to one crop or split between the various crops in any percentage the producer desires. Total production of each crop becomes eligible for price-support loan.

In addition, a producer who has an oats-rye base for his farm may substitute wheat on his oats-rye base acreage. For producers who had an oats-rye base in 1965 and request one for 1966, an adjustment will be made in the average oats-rye acreage to allow for the difference in feed units produced per acre. Producers who elect the oats-rye provision have to be participants in both the wheat and feed grain programs if there is a feed grain base established for the farm.

FAILURE TO CARRY OUT INTENTIONS

Failure to fully carry out the intentions as included in the signup agreement can result in a substantial deduction from the payments otherwise earned.

Producing more acres of feed grains than the permitted acres will result in a deduction from the payment otherwise earned amounting to twice the county price-support loan rate applied to the yield per acre for the farm and the acres in excess of the permitted acres.

For example: On a farm with a 100-acre feed grain base (all corn) the operator signed up to divert 40 acres leaving a permitted acreage of feed grains (corn) of 60 acres. The price-support loan rate for the county is \$1.00. The average yield is 70 bushels. The operator devoted 40 acres to conserving uses

in addition to the farm conserving base but grew 63 acres of corn -- three more than the permitted acres. The per-acre deduction in this case would be \$1.00 times 2 times 70 = \$140 per acre. With three acres excess the total deduction would be 3 times \$140 = \$420.

MEASUREMENT SERVICE AVAILABLE

Farmers who are participating in the feed grain program may request measurement of acreage intended to be planted and intended for diversion prior to the planting season. Such measurement will help assure full accomplishment intended at the time of signup. Cost of this service may be paid in cash or may be deducted from payments earned by participation in the program.

OATS-RYE SUBSTITUTION PROVISIONS

Even though an oats-rye base has been approved for a farm, the oats-rye provision will not apply to the farm if the acreage devoted to corn, grain sorghum, and barley exceeds the feed grain permitted acres or the excess wheat option is adopted.

The per-acre rate of payment for diversion from the oats-rye base for the acreage in excess of the minimum (20 percent) is one-fourth the wheat diversion rate for the farm. In addition, (1) the use of the oats-rye base removes the option of growing corn, grain sorghum, or barley on wheat permitted acres; (2) the oats-rye permitted acreage (the oats-rye base minus the acreage to be diverted) may be used for the production of wheat and the feed grain permitted acreage may also be used to grow wheat; (3) the oats-rye permitted acreage cannot be used for growing corn, grain sorghum, or barley; and (4) the acres diverted from the oats-rye base are to be devoted to approved conservation uses and are in addition to the conserving base for the farm and the acres diverted from wheat and feed grains.

MALTING BARLEY PROVISIONS

The malting barley exemption which was available to malting barley producers under the 1965 feed grain program will not be in effect under the 1966 program.

MAKING PAYMENTS

Each participating feed grain producer has a choice of receiving the diversion payment and the price-support payment as a certificate that may be redeemed in grain or as a sight-draft cashable at any bank.

Up to 50 percent of the diversion payment may be made at signup time if requested by the participant.

DIVISION OF PAYMENTS

ASC county committees have the responsibility to satisfy themselves that division of the diversion payment is fair. The price-support payment will be divided among producers as they share in the 1966 crop, unless a different division can be justified and is approved by the ASC State committee.

PRODUCERS WITH AN INTEREST IN MORE THAN ONE FARM

A producer with an interest in more than one farm may participate in the program on one farm and receive program benefits provided the acreage devoted to feed grains on each other farm in which he has an interest does not exceed the farm feed grain base.

TO PARTICIPATE

On the basis of the information available to the ASC county committee, a feed grain base and a conserving base are established for each feed grain producing farm. If a farm has been producing only corn, the feed grain base is figured only from the acreage of corn. If only grain sorghum or barley has been produced, the base will be figured from the acreage planted to either of these crops.

If more than one of these crops is produced, separate base acreages will be determined for each crop. The total base represents the sum of the separate bases.

Owners and operators will receive a notice of base acreages, yields and diversion payment rates for their farms.

To take part in the 1966 feed grain program, producers must complete and file with the ASCS county office, not later than the final signup date (March 25, 1966) an intention-to-participate form.

After this form is filed, producers then have the responsibility of (1) diverting acreage from corn, grain sorghum, and/or barley in total to the extent indicated or allowed by substitution; (2) designating the acreage of land to be diverted and establishing approved conservation use on that land; (3) maintaining the conservation base acreage on the farm; and (4) not exceeding the total feed grain base on any other farms in which the producer has an interest.

If the producer plans to use the substitution provisions he must also fully comply with the wheat program.

Intentions to participate may be changed until the deadline for final signup is reached.

(This explanation is provided to help in the general understanding of the 1966 Feed Grain Program. It does not replace official instructions and regulations applicable to individual farm situations.)

